

1 MR. TOPEL: There's a promissory note that embodies
2 all of NMTV's indebtedness to TBN.

3 MR. COHEN: That was, that was entered into,
4 Your Honor, subsequent.

5 MR. SCHONMAN: 1992, I believe.

6 JUDGE CHACHKIN: Is that the earliest?

7 MR. TOPEL: January 1993.

8 MR. SCHONMAN: '93, excuse me.

9 JUDGE CHACHKIN: And the loan was made when,
10 Mrs. Duff?

11 MRS. DUFF: At, at the time that we entered into the
12 -- when the monies had to be funded.

13 JUDGE CHACHKIN: And when was that?

14 MRS. DUFF: Gosh, without looking at the actual
15 contract, I'm not, I'm not absolutely sure.

16 JUDGE CHACHKIN: Well, when did you acquire
17 Portland?

18 MRS. DUFF: I believe that it was in 1989.

19 JUDGE CHACHKIN: So it wasn't till four years later
20 that you actually put in writing the terms of this loan
21 agreement dealing with the loan made in 1989. Is that
22 correct?

23 MRS. DUFF: Yes, sir.

24 JUDGE CHACHKIN: All right.

25 BY MR. SCHONMAN:

1 Q Mrs. Duff, we can turn to Bureau Exhibit Number 162,
2 and that's another bill from May and Dunne dated October 14,
3 1987. It shows services rendered to NMTV and the bill was
4 sent to Trinity Broadcasting Network. The same question, why
5 was that done?

6 A Would it be proper for me to say ditto?

7 Q Yes.

8 A Thank you.

9 JUDGE CHACHKIN: And by ditto, you mean it was less
10 expensive?

11 MRS. DUFF: Yes.

12 JUDGE CHACHKIN: For, for Mr. Dunne to, to send you
13 a separate invoice just for -- just dealing with NMTV than
14 with an invoice which included all these stations. Is that
15 your testimony?

16 MRS. DUFF: Yes. There -- We were actually on a
17 retainer. Maybe that would help to --

18 JUDGE CHACHKIN: Well, I don't understand what --
19 Who was on a retainer?

20 MRS. DUFF: NMTV.

21 JUDGE CHACHKIN: With whom?

22 MRS. DUFF: With May and Dunne.

23 JUDGE CHACHKIN: You had a separate retainer with
24 NMTV?

25 MRS. DUFF: I believe we did, but it was negotiated

1 by Mr. Crouch. So that's why -- Since I didn't actually
2 negotiate it, I didn't have all the details of it. But that's
3 a question that, you know, might be reserved for him.

4 JUDGE CHACHKIN: All right.

5 BY MR. SCHONMAN:

6 Q Mrs. Duff, we can move on to Bureau Exhibit
7 Number 163, and that's an action by written consent of NMTV
8 and it's dated October 21, 1987. And you'll see there's a
9 reference to Channel 24 in Portland and an amount of \$600,000.
10 Do you see that?

11 A Yes.

12 Q Now, in Colby May's letter, there was a reference to
13 \$500,000, and my question for you is was there a discussion
14 among the board members about 500 or \$600,000?

15 A I think this was a cushion that was available in
16 case our negotiations -- I believe that, if my memory serves
17 me correctly, Mr. Vandaveer had told me that they had not
18 completely calculated their expenses and they didn't have an
19 exact figure, and we wanted to make sure that the resolution
20 covered any additional expenses that they came up with and --
21 but with this top figure --

22 Q Now, in Colby May's letter of October 9, 1987 --

23 JUDGE CHACHKIN: What exhibit is that?

24 MR. SCHONMAN: That's Bureau Exhibit Number 161.

25 BY MR. SCHONMAN:

1 Q And that was just a few weeks before this action by
2 written consent. Now, if I understand your testimony
3 correctly, it was, it was your understanding that TBN was
4 going to loan NMTV \$500,000. Was it also your understanding
5 that TBN was going to loan NMTV \$600,000?

6 A The -- If my memory serves me correctly, we were not
7 sure of the final dollar amount that Vandaveer was going to
8 come up with as far as his expenses. He told me that he
9 hadn't been able to calculate the entire amount because there
10 were some amounts that -- Mr. Minsky had -- I think he had
11 passed away at that time and Mr. Vandaveer was taking over and
12 he did not have all the final documents as to what the final
13 costs were.

14 Q Well, I understand that you, you didn't know exactly
15 how much the purchase price would be, but my question goes to
16 how much did you think TBN was going to loan NMTV? Was it
17 500,000 or was it 600,000?

18 A Well, they were willing to loan us whatever the
19 costs were for acquiring the station, and so this was to cover
20 anything in addition to the 500.

21 Q Let's move on to Bureau Exhibit Number 165. That's
22 another bill from May and Dunne dated November 10, 1987. The
23 bill was sent to Trinity Broadcasting Network and it included
24 services rendered to NMTV. Why was that done?

25 A Would it be proper for me to say ditto again?

1 Q Yes.

2 A Thank you.

3 JUDGE CHACHKIN: Well, is your ditto now that you
4 don't know and Mr. Crouch would be the better person to answer
5 the question? Is that what you mean by ditto now? Or is it
6 still your contention that it was more economical and somehow
7 it saved you money?

8 MRS. DUFF: It was more economical. That, that
9 would be my response.

10 JUDGE CHACHKIN: It was more economical for him to,
11 to send you one invoice rather than send you another piece of
12 paper?

13 MRS. DUFF: Yes, sir.

14 JUDGE CHACHKIN: Just specifying -- Although you
15 claim now that there was a retainer by NMTV, but you're saying
16 it was still more economical for him to combine all the
17 services and disbursements in one bill, rather than send you a
18 separate invoice for NMTV?

19 MRS. DUFF: It was my understanding that the
20 retainer was to -- In other words, because of the retainer, it
21 was a cost-cutting measure and therefore he didn't want the
22 additional cost of his book work or his bookkeeper, whatever
23 it was. And that's why he continued to bill on the --

24 JUDGE CHACHKIN: I don't understand it. What does
25 the bookkeeper have to do with it? It is in fact on the, the

1 invoice, does contain a separate, a separate figure for all of
2 the affiliates, including NMTV. I don't have the figures
3 here, but there were numbers here, and also the same for
4 disbursements, a separate -- They're not all merged together,
5 so how -- what does the bookkeeper have to do with it? The
6 bookkeeper had already made an allocation of the separate --
7 to the separate stations, so how does this involve more
8 additional work for the bookkeeper?

9 MRS. DUFF: I didn't question Mr. May any more
10 thoroughly, so I don't have any better answer for that,
11 Your Honor. I'm sorry.

12 JUDGE CHACHKIN: All right. I guess we'll have to
13 find out from Mr. May why he did it.

14 BY MR. SCHONMAN:

15 Q If we can turn to Bureau Exhibit Number 166. And
16 that's a letter from Colby May to Mr. Vandaveer regarding the
17 Portland station. The letter is dated November 13, 1987.

18 A Yes.

19 Q In the second paragraph, Mr. May writes,
20 "Specifically NMTV has agreed to increase from 500,000 to
21 \$520,000, or such other lesser amount as may be approved by
22 the FCC," etcetera, etcetera. And in the last paragraph,
23 Mr. May writes, "I am pleased you were able to reach this
24 agreement with Mrs. Duff today," and it continues on. My
25 question for you is who on behalf of NMTV agreed to increase

1 the, the price from 500,000 to \$520,000?

2 A I did.

3 Q When was that agreement reached?

4 A Mr. Vandaveer called me and told me that he had
5 finally come up with the additional expenses that he had
6 located in the papers of Mr. Minsky. And we reached the
7 agreement that this was the amount that we would pay. And I
8 believe there was some negotiation. I think we got it down a
9 little bit from what he wanted. I think he wanted maybe -- It
10 seems to me like he wanted like another -- I think I got it
11 down several thousand dollars. I don't have an exact memory
12 of how much, but there was a little compromise there and I
13 agreed to the, to the 520,000.

14 Q Did you do the negotiating on behalf of NMTV?

15 A Yes.

16 Q Now, in the last paragraph, there's a reference that
17 Mr. May makes to Paul Crouch intending to announce the
18 agreement tonight on television. Should I take that to mean
19 on -- over TBN?

20 A Yes.

21 Q Was it in fact announced on TBN?

22 A I believe it was.

23 Q Do you know what the announcement stated?

24 A That our affiliate, NMTV, has just entered into an
25 agreement to purchase a station in Portland, Oregon. And this

1 would have been very beneficial because, as I mentioned to you
2 earlier, there was an outlet for TBN on a cable system in
3 Portland already. So that would be very advantageous to NMTV
4 to have it announced, so people would be aware that there is
5 going to be a full station in Portland.

6 Q And it was understood, of course, right from the
7 beginning that this Portland station would carry TBN
8 programming?

9 A Yes, that was my understanding.

10 Q Let's turn to Bureau Exhibit Number 167, and that's
11 a letter from Colby May to Mr. Tricarico at the FCC,
12 T-R-I-C-A-R-I-C-O. And that announces that the Odessa
13 transaction has been consummated. Do you see that?

14 A Yes.

15 Q My question for you is it indicates that the
16 transaction was consummated on June 30, 1987, but the date of
17 this filing with the FCC is November 16, 1987, several months
18 later. My question is do you know why notice to the FCC was
19 provided so much later than the actual consummation date?

20 A I don't have any recollection of, of this, as to
21 why. I don't, I don't know.

22 Q We can move on to Bureau Exhibit Number 168, and
23 that's a letter from May and Dunne dated November 19, 1987, to
24 you at Trinity Broadcasting Network. Why don't you take a few
25 moments to familiarize yourself with this document?

1 A Yes.

2 Q You, you've looked at it?

3 A Yes.

4 Q Why did Mr. May prepare this document?

5 JUDGE CHACHKIN: If you know.

6 MRS. DUFF: My responsibility at TBN was to provide
7 the renewal applications. I was responsible for doing those
8 filings and I was responsible for the -- station filings and
9 that type of thing.

10 BY MR. SCHONMAN:

11 Q So you asked Mr. May to do it?

12 A Yes.

13 Q And you asked him so that he would provide you with
14 information as to whether -- as to when the renewals were due?

15 A Yes.

16 Q Now, I notice that he organizes this letter state by
17 state, rather than company by company. And when we come to
18 page 4, there's a discussion about the Texas facilities. Do
19 you have that before you?

20 A Yes.

21 Q Why is there a reference in this letter directed to
22 you at Trinity, to NMTV station in Odessa?

23 A I don't know why Mr. May included that, except that
24 he knew that I was responsible and I was the director for
25 Odessa. But clearly, it, you know, it is National Minority

1 | which he does identify it as National Minority.

2 | Q Why is there a reference on this page to a station
3 | in Beaumont licensed to Community Educational Television?

4 | A Because he knew that I was a director in that
5 | corporation. It should have been -- It would have been more
6 | proper to address these separate companies separately.

7 | Q And the reference to the station for a license to
8 | Community Educational Television and a reference to the
9 | station license to NMTV is right there along with the
10 | reference to Trinity Broadcasting of Texas. Is that correct?

11 | A Yes.

12 | Q And these were all stations providing TBN
13 | programming?

14 | A Yes.

15 | Q And, Mrs. Duff, Item C under the Texas facilities,
16 | there's also a reference to Community Educational Television
17 | -- I'm sorry, Educational Television of Houston, Inc.'s,
18 | station in Houston.

19 | A Yes.

20 | Q What is Educational Television of Houston, Inc.?

21 | A Oh, that's -- originally, that station was -- The
22 | corporation name was changed. It's actually Community
23 | Educational Television. The original group that owned the
24 | station had that corporate name, but once it transferred --
25 | There was a board transfer, I believe is the way it occurred.

1 So it is actually now Community Educational Television, but
2 the board structured at the time the station was purchased was
3 Educational Television of Houston.

4 Q This station was providing TBN programming, correct?

5 A Yes, and educational programming.

6 Q Mrs. Duff, we can move on to Bureau Exhibit

7 Number 170. Why don't you take a moment to look at that?

8 That's a special meeting of NMTV held on November 20, 1987.

9 (Pause) Have you read that?

10 A Yes.

11 Q There's a reference there to the acquisition, or the
12 proposed acquisition, of up to 10 acres of real property at
13 Midland Odessa. Was NMTV planning to purchase that property?

14 A Yes.

15 Q Did in fact NMTV purchase the property?

16 A Yes, we did.

17 Q And how much was that for, do you recall?

18 A The property wasn't all that expensive. I can't
19 remember exactly how much it was, because it's just bare land.
20 But the primary cost was for the, the construction, the
21 equipment and so forth. We had to build a tower at the site.

22 Q Now, the money for the, the real estate, the
23 acreage --

24 A Yes.

25 Q -- that came from TBN?

1 A There was -- Yes.

2 Q Thank you. Was there -- I'm sorry, was there a, was
3 there a note for that? Was that a loan or a gift?

4 A It was all recorded that it could be, you know,
5 reduced and held at a later date. You know, it was on the
6 books that NMTV owned -- owed this money to TBN. It was --
7 The whole amount was later reduced to a note.

8 Q How much later?

9 A It would have been that, that note that we referred
10 to earlier.

11 Q The one in 1993?

12 A Yes.

13 Q Thank you. I'd like to direct your attention to
14 Bureau Exhibit Number 171, and that's a letter from Smith and
15 Powstenko to George Sebastian at Trinity Broadcasting Network,
16 dated November 23, 1987. Why don't you take a moment to look
17 at that?

18 (Pause)

19 JUDGE CHACHKIN: The witness is ready.

20 MR. SCHONMAN: Thank you, Your Honor.

21 BY MR. SCHONMAN:

22 Q Mrs. Duff, there, there are references in this
23 letter to an application for Channel 55 in Fresno and an
24 application for Channel 56 in Fresno. Now, as I understand
25 it, and please correct me if I'm wrong, NMTV filed for Channel

1 56 in Fresno?

2 A Yes.

3 Q And TBN filed for Channel 55 in Fresno?

4 A I don't remember that at all.

5 Q Do you know who, do you know who filed for Channel
6 55 in Fresno?

7 A No, sir, I don't.

8 JUDGE CHACHKIN: Can we take official notice of, of
9 that, Mr. Schonman?

10 MR. SCHONMAN: We can attempt to find out,
11 Your Honor.

12 JUDGE CHACHKIN: You're saying you didn't know that
13 TBN filed for Channel 55 in Fresno?

14 MRS. DUFF: I don't believe -- I don't remember
15 Channel 55 being filed for, period. I don't, I don't
16 understand the letter.

17 JUDGE CHACHKIN: Well, you received a copy of it at
18 the time.

19 MRS. DUFF: I did, but I don't have a recollection
20 of it. So I, I really can't say that I understand the whole
21 situation. I don't.

22 BY MR. SCHONMAN:

23 Q Do you know why Mr. Fisher of Smith and Powstenko
24 directed this letter to George Sebastian at Trinity
25 Broadcasting Network?

1 A George was our -- was a Trinity Broadcasting Network
2 volunteer and he did have an office at Trinity.

3 Q You're saying he wasn't an employee of TBN?

4 A No, he was never an employee of TBN.

5 Q How much time, if you know, did Mr. Sebastian spend
6 at, at his office at Trinity on a weekly basis in November
7 1987?

8 A He would -- He was -- Being a volunteer, he'd come
9 and go at his own leisure, and it would depend on how much
10 work that there was to be done.

11 Q So you don't know how much time he spent there?

12 A No. He didn't account to me for his time since he
13 was a volunteer.

14 Q Did he share an office with anyone?

15 A There was an office there that he did use, but I
16 didn't -- he didn't clock in or, you know, and I never knew
17 when he was coming in or when he was leaving or, you know, I
18 didn't -- I'd look up and he'd be there in the morning, and
19 I'd go by in the afternoon and he'd be gone. So I, I didn't
20 really keep up with his time.

21 Q Did he share an office with anyone?

22 A No, he didn't share an office with anybody. He had
23 his own little office.

24 Q He had his own office?

25 A Um-hum.

1 Q Did all volunteers have their own offices at TBN?

2 A TBN uses quite a few volunteers. It all depends on
3 what the situation is, what department they're working in.

4 Q What department was Mr. Sebastian working in?

5 A He was working in the low power department, which is
6 actually a part of my, my office, but it was a separate, you
7 know, separate little office.

8 Q Who was his supervisor?

9 A I would be his supervisor, you know, if he were an
10 employee, I would be considered his supervisor.

11 Q What did he do at Trinity?

12 A He organized the, the low power engineering. In
13 other words, any time there was a window, he would assist us
14 in getting the sites and working directly with Kevin Fisher or
15 whoever was at Smith and Powstenko in the engineering part of,
16 you know, their frequency. He would actually an application.
17 He did applications for us on a couple of occasions.

18 Q He was there just about every day?

19 A He was there -- Generally speaking, he was there
20 every day, but he wouldn't always work a full day.

21 Q And he did work for TBN's stations?

22 A Yes.

23 Q And he did work for NMTV stations?

24 A Mainly, mainly TBN.

25 Q And he also did work for NMTV as well?

1 A Yeah, if I would ask him to do it he would. And
2 then I would pay him for his -- not everything that he did for
3 NMTV, did not pay for, but he did get some, some compensation
4 from NMTV.

5 Q Mrs. Duff, was, was Mr. Sebastian's wife also
6 working at TBN?

7 A She was an employee of TBN.

8 Q What did she do there?

9 A She had several positions. At one time she worked
10 in the praise department. That was making contact for guests
11 to appear on the program. And she worked in the engineering
12 department, and then for a time she worked in my department as
13 kind of an assistant to the affiliations area of my office.

14 Q What is her name?

15 A Deanna.

16 Q Deanna Sebastian?

17 A Sebastian.

18 Q Was she a salaried employee?

19 A No, she was hourly.

20 Q Hourly? We can move on to Bureau Exhibit Number
21 172. That's an invoice from May and Dunne dated December 10,
22 1987, directed to Trinity Broadcasting Network, and it
23 includes a bill for services rendered to NMTV. Can you tell
24 me why NMTV was included in this bill?

25 A Could I say ditto to this one? Would that be

1 proper?

2 JUDGE CHACHKIN: Well, why don't you just say you
3 have nothing further to add?

4 MRS. DUFF: Okay. I have nothing further to add.

5 BY MR. SCHONMAN:

6 Q Thank you. If we can turn to Bureau Exhibit Number
7 173, that's a special meeting of Trinity Broadcasting Network
8 held on December 15, 1987. Have you looked at that,
9 Mrs. Duff?

10 A Yes.

11 Q There's a reference to Trinity Towers. Do you see
12 that?

13 A Yes.

14 Q Now, you explained yesterday that Trinity Towers was
15 a, a mobile home park?

16 A Yes.

17 Q What was your relationship to Trinity Towers at this
18 time? That is, December 1987?

19 A My relationship -- Gosh, I don't know, I might have
20 been an assistant secretary. There was very little activity
21 on this corporation, so my, my role would have been as an
22 assistant secretary to sign documents. The only thing I can
23 remember doing for that corporation was signing checks and
24 that type of thing. I wasn't a director, I don't believe, I
25 was only assistant secretary.

1 Q You were an officer of that company, weren't you?
2 That's, that's what an assistant secretary is?

3 A But not a director.

4 Q Were you at this meeting on December 15, 1987?

5 A No.

6 Q If we can turn to Bureau Exhibit Number 174, and
7 that's a portion of an application for the Portland station.
8 If you turn to page 3 of this application, there's a reference
9 to Paul Crouch, yourself, and Reverend Espinoza as being
10 officers and directors of NMTV. And there are individuals who
11 are not listed there who should have been. Is that correct?

12 A That's correct. The error that occurred in the
13 Odessa application was perpetuated in, in this application as
14 well.

15 Q Why was that?

16 A I don't have an explanation, except that it was an
17 error on the part of whoever was compiling the application.

18 Q Mrs. Duff, why was NMTV even interested in acquiring
19 the Portland station?

20 A This was an opportunity for this minority
21 organization to really be successful. For obvious reasons --
22 I, I think I explained in my written testimony that the Odessa
23 station financially was not making it because there was not
24 any cable for us. But Portland, being a market that was
25 several times the size of Odessa, it was like the 26th market,

1 I believe, at that time, would give this minority organization
2 a chance to really be financially successful, and that's what
3 we needed was a -- We needed some money to be successful.

4 We had debts that we needed to pay and the only way
5 we'd be able to pay this, if we had a station that would
6 produce revenues. And to me, this, this was very important,
7 this was critical.

8 Q Now, a moment ago you, you testified that one of the
9 reasons why NMTV was interested in acquiring the Portland
10 station is that Odessa wasn't making any money. Odessa wasn't
11 even on the air at this time, was it?

12 A Well, in retrospect, I'm thinking that Odessa was a
13 very small market and, of course, I'm speaking from my present
14 experience, you know, not from what was happening at that
15 time. I understand that the time frame is a little bit
16 different.

17 Q All right. Well, should I ask the question again
18 then? What was your thinking at the time this application was
19 filed as to why NMTV was interested in acquiring a Portland
20 station?

21 A Because it was a much larger market. We needed
22 revenues and it definitely was an opportunity for this
23 corporation to have a station that would be financially
24 successful.

25 Q Mrs. Duff, at your deposition held on October 7,

1 1993, you said that, on page 141 at the bottom, line 25 --

2 MR. TOPEL: Which day?

3 MR. SCHONMAN: The 7th.

4 MR. TOPEL: October --

5 MR. SCHONMAN: October 7, 1993, page 141, line 25.

6 BY MR. SCHONMAN:

7 Q And you say it, meaning the Portland station, "was
8 an opportunity to buy a station at a price we felt we could
9 afford." What, what did you mean by that?

10 A Well, this was a fairly good size market. It was a
11 construction permit that could be purchased for expenses only,
12 and this was a price that we would be able -- that I thought
13 we would be able to manage the, the debts. In other words,
14 we'd be able to pay it back. I knew that Trinity was going to
15 loan us the money, but I wasn't interested at that time in
16 getting into a situation where we had to buy a station that
17 was on the air. I felt that would be prohibitive. So,
18 therefore, this is the best way to buy a station, one that's
19 unbuilt and the owner's in distress.

20 He wanted to get rid of it, or else he was going to
21 lose the permit. He would have lost everything. So that's
22 why we were able to negotiate even less than what his
23 expense -- actual expenses were.

24 Q So the, the cost, that is, approximately \$500,000 --

25 A Right.

1 Q -- you felt was a price that NMTV could afford?

2 A Yes. And we would -- we knew we had to borrow the
3 money, but we knew -- I just instinctively knew that this
4 market was going to work, because I mentioned in response to
5 an earlier question that TBN already had exposure in that
6 market. I knew that we would have advantage of getting this
7 revenue that was already coming in. There was a stream of
8 revenue coming in that I'd be able to take advantage of.

9 JUDGE CHACHKIN: When you say market work, what do
10 you mean?

11 MRS. DUFF: This particular city, it would be
12 something -- I was familiar with the responses from the
13 Northwest because not only did TBN have a station in the
14 Northwest, which is Portland -- I'm sorry, Tacoma-Seattle,
15 response were excellent. That station -- The first month it
16 went on the air we had unbelievable response. And that -- I'm
17 talking about TBN's response. And this is TBN's programming
18 that's going to be on Portland. It's the same part of the
19 country. And there was already some cable there that was
20 carrying TBN from satellite, and I knew that there was very
21 good response from that. And it just was a, a sure thing as
22 far as I was concerned.

23 JUDGE CHACHKIN: But when you say market work, you
24 mean you thought it would be a good market where you could
25 propagate the faith --

1 MRS. DUFF: Yes.

2 JUDGE CHACHKIN: -- as set forth in TBN and be able
3 to get contributions from viewers in the Portland market --

4 MRS. DUFF: Right.

5 JUDGE CHACHKIN: -- for that purpose?

6 MRS. DUFF: Right. We had to be able to have money
7 in order to operate. And this is a ministry, but it does have
8 to operate like a business.

9 JUDGE CHACHKIN: So it was to fulfill the same goals
10 as Reverend Crouch had with his TBN station?

11 MRS. DUFF: That's correct.

12 BY MR. SCHONMAN:

13 Q Now, I'm getting back to your deposition, when you,
14 when you testified that "it was an opportunity to buy a
15 station at a price we felt we could afford." You were not
16 suggesting by that statement that NMTV had \$500,000?

17 A No, sir, I'm not. Just, just in thinking that we
18 could take care of a debt service, we could pay it back. It
19 wasn't an outlandish amount of money.

20 Q Now, several months earlier NMTV had expressed an
21 interest in acquiring the Wilmington station for an amount in
22 excess of \$4 million. Was that also an amount that NMTV felt
23 it could afford?

24 A Well, the comparison of the markets -- That, that
25 market, that's the fourth market in the country. Portland was

1 market 26, so there's a vast difference. There's like -- I'm
2 not sure what the population of Portland is, but nowhere
3 comparison -- no comparison to the Philadelphia market. It's
4 almost -- That's the fourth market in the country. And this
5 was a licensed facility with all the equipment. It included a
6 tower. It included land. We could have leased the, the -- I
7 guess the building didn't come with it, but we could have
8 leased that land and done a lot of things with the land. We
9 could have sold tower space.

10 I mean, that was -- It's apples and oranges.
11 There's no comparison to the two.

12 Q But the money for the Wilmington station was going
13 to come from TBN and the money for the Portland station was
14 also going to come from TBN. So isn't it a fact that your
15 reference to a price we could afford was really a reference to
16 the price that TBN was willing to loan? And I put the word
17 "loan" in quotes, loan NMTV. Isn't that correct?

18 A That's correct.

19 Q Thank you. Mrs. Duff, we can move on to Bureau
20 Exhibit Number 176. And that's an annual meeting for NMTV on
21 January 11, 1988.

22 A Yes.

23 Q You've read through that?

24 A Yes.

25 Q This is, correct me if I'm wrong, NMTV's first

1 annual meeting that was held independently of TBN?

2 A I believe that's correct.

3 Q Why was this meeting held independently of TBN?

4 A I think that we realized that we needed to have our,
5 our meetings separately. We were operating a full power
6 station at this time, we were about to --

7 Q I'm sorry, I didn't hear your last statement.

8 A I said we were operating a full power station, or
9 about to operate a full power station at this time.

10 Q You mean the Odessa station?

11 A Yes.

12 Q Who made the decision to have a separate meeting?

13 A It was a consensus of the board.

14 Q Where was the meeting held?

15 A I think we had it at, I think we had it at TBN's
16 headquarters in one of the offices there.

17 Q Now, do you remember when TBN held its annual
18 meeting for 1988?

19 A Do I remember when?

20 Q Yes.

21 A I think it was the day before. It was not in, in
22 the same room. It was a separate meeting. There was nobody
23 there but NMTV people.

24 Q You made sure of that?

25 A Oh, absolutely.

1 Q Why, why was it so important?

2 A Because I, I felt and Mr. Crouch felt and David felt
3 that we needed to -- We had at that time decided that we
4 really did need to have separate meetings.

5 Q Why was it so important, though?

6 A We had activity now. There was our own things that
7 we had to discuss. They had nothing to do with the business
8 of TBN. It was -- The idea was that before, there wasn't that
9 much activity as far as Translator. But now we had our own
10 business to take care of.

11 Q The matters discussed by NMTV at its meeting had
12 nothing to do with TBN?

13 A Well, actually, it was specifically -- It did have
14 -- It concerned money that TBN was going to loan National
15 Minority, but this was strictly NMTV business.

16 JUDGE CHACHKIN: Was there any advice from counsel
17 that it would be better to hold a separate meeting? Is that
18 the reason why you held a separate meeting, because on advice
19 of counsel?

20 MRS. DUFF: Yes, sir. I believe that was something
21 that, that we touched on a little bit yesterday.

22 JUDGE CHACHKIN: So the main -- principal reason you
23 held a separate meeting is because you were so advised by
24 counsel, were you not?

25 MRS. DUFF: Originally, we were, yes, sir.